

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6125

BILL NUMBER: HB 1415

NOTE PREPARED: Feb 25, 2003

BILL AMENDED: Feb 17, 2003

SUBJECT: Preschool Registration.

FIRST AUTHOR: Rep. Budak

FIRST SPONSOR: Sen. C. Lawson

BILL STATUS: As Passed - House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill amends the definition of "preschool". The bill revises the licensure exemption for preschools. The bill also requires a preschool to register with the Division of Family and Children. (The introduced version of this bill was prepared by the Board for the Coordination of Child Care Regulation.)

Effective Date: July 1, 2003.

Summary of Net State Impact: (Revised) This bill requires the Division of Family and Children in the Family and Social Services Administration to collect preschool registrations. The bill also requires preschools to file a one-time \$5 registration fee with a registration form approved by the Division. In addition, the Division may assess a civil penalty for unregistered preschools. Estimation of costs and revenues is hampered due to the fact that the number of preschools in Indiana is unknown.

Explanation of State Expenditures: (Revised) This bill removes the preschool exemption and requires preschools to register with the Division of Family and Children in FSSA. The amended bill requires the Division to approve a registration form. It is assumed that the Division can approve a registration form at no additional cost given current staffing and resources.

This bill is not expected to require additional resources as the amended bill is silent on what the Division is required to do once the preschools submit the registration form and fee. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues: (Revised) This proposal includes a provision for fee collection and a penalty provision. Based upon the following estimate of the number of preschools, the Division would collect between \$2,895 and \$4,600 from preschools the first year. The low revenue estimate is based upon a calculation of preschools per population using Marion County data as the baseline - estimated 579 preschools total. The high revenue estimate uses 10 preschools per county as the population of preschools in the state - 920 preschools total. Actual revenue collected may be higher or lower depending upon the actual number of preschools that register.

The bill requires that preschools that are in existence on June 30, 2003, shall register not later than January 1, 2004. Thus, it is assumed that the majority of the registration fees would be collected in the first half of FY 2004. Any preschools that open after June 30, 2004, must register within 30 days after the preschool opens for business.

It is important to note that the bill would only require a one-time registration and not an annual registration. Thus, the amount of revenue collected in each succeeding year is dependent upon the number of new preschools that register each year.

If after a hearing the Division of Family and Children determines that a preschool knowingly failed to register, the Division may assess a \$100 civil penalty. The number of penalties that will be assessed is unknown and is contingent upon administrative action. Fees and fines collected by FSSA are to be deposited in the Child Care Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

Information Sources: Susan Kilty, Legislative Liaison, Division of Families and Children, FSSA, 232-4451; Joe Kitterman, Marion County Health Department, (317) 221-2276.

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